MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 3, 2016 / 2017 SESSION

DOT5018 – ORGANISATIONAL THEORY

(For Diploma Students Only)

02 JUNE 2017
9.00 am – 11.00 am
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of **EIGHT (8)** pages with **THREE (3)** sections.
2. Answer **ALL** questions.
3. For sections A and B, shade your answers in the OMR sheet provided.
4. For section B, shade "**A**" for **TRUE** statement and shade "**B**" for **FALSE** statement.
5. For section C, write your answers in the answer booklet provided.

SECTION A: MULTIPLE CHOICE QUESTIONS (each question carries 1.5 marks).

1. The process by which organisations move from their present state to some desired future state is called _____.

   A. transaction analysis
   B. organisational design
   C. organisational change
   D. environmental scanning

2. _____ are the owners of an organisation, and, as such, their claim on organisational resources is often considered superior to the claims of other inside stakeholders.

   A. Employees
   B. Customers
   C. Shareholders
   D. Trade unions

3. Competitive advantage is the ability of a company to _____.

   A. identify changes in consumer tastes and preferences
   B. outperform another company because its manager are able to create more value from the resources at their disposal
   C. develop a flexible organisation structure that can quickly respond to changes in the environment
   D. achieve economies of scale by manufacturing a product in large volumes

4. Which of the following is an output created by an organisation?

   A. Capital.
   B. Competitors.
   C. Machinery.
   D. Salaries.

5. _____ are cost savings that result when an organisation is able to use underutilised resources more effectively because they can be shared across several different products or tasks.

   A. Economies of scale
   B. Sunk costs
   C. Deffered revenues
   D. Economies of scope

Continued...

6. Which of the following is an outside stakeholder group?

   A. Shareholders.
   B. Suppliers.
   C. Managers.
   D. Workforce.

7. Managers who have direct responsibility for the production of goods and services are considered to be holding a (n) _____ role.

   A. staff
   B. integrative
   C. line
   D. distributive

8. The rewards that stakeholders receive for participating in an organisational are called _____.

   A. inducements
   B. contributions
   C. annuity
   D. dividends

9. A doctor was banned from practicing medicine because he consistently prescribed unnecessary procedures. This doctor violated _____.

   A. professional ethics
   B. the justice model of ethics
   C. individual ethics
   D. the utilitarian model of ethics

10. Which of the following is a primary responsibility of a chief operating officer?

   A. Selecting the members of the board of directors.
   B. Managing the organisation's internal functions.
   C. Selecting key executives to occupy the top most levels of the managerial hierarchy.
   D. Determining top management's rewards and incentives.

11. A _____ is an association of firms that explicitly agree to coordinate their activities.

   A. cartel
   B. strategic alliance
   C. collusion
   D. joint venture

Continued...

12. McDonald's is trying to determine whether it should make its own fast-food containers or buy them from international suppliers. This decision is a part of the _____ management.

A. structural environment
B. competitive interdependency
C. global supply chain
D. symbiotic interdependency

13. Big Apple restaurant hires an advertising firm to handle promotions and advertising. This is an example of _____.

A. franchising
B. licensing
C. outsourcing
D. long-term contract

14. The Japanese system of *keiretsu* is a type of _____.

A. collusion
B. merger
C. joint venture
D. minority ownership

15. Which of the following refers to the integration mechanism where a new team of managers is created to coordinate the activities of functions or divisions?

A. Task force.
B. Direct contact.
C. Integrating department.
D. Hierarchy of authority.

16. _____ refers to conformity to specific models or examples, defined by sets of rules and norms that are considered proper in a given situation.

A. Differentiation
B. Standardisation
C. Formalisation
D. Mutual adjustment

Continued...

17. The marketing and manufacturing managers of Nike Company meet face to face to discuss the launch of a new line of football jerseys. The integrating technique used in this case is _____.

A. liaison roles
B. direct contact
C. integrating role
D. integrating department

18. _____ is the power to hold people accountable for their actions and to make decisions about how to invest and use organisational resources.

A. Orientation
B. Motivation
C. Capability
D. Authority

19. Organisations that employ _____ technology make one-of-a-kind customised products.

A. sequential-process
B. continuous-process
C. small-batch and unit
D. large-batch and mass production

20. According to Joan Woodward, the _____ of a production process is a measure of the extent to which a production process can be programmed so that it can be controlled and made predictable.

A. technical complexity
B. resource customizability
C. situational adaptability
D. environmental compatibility

21. _____ requires inputs and components needed for production to be delivered to the conversion process just as they are needed.

A. Computer-aided materials management
B. Just-in-time system
C. Computer-aided design
D. Materials technology

Continued...

22. According to Perrow an organisation that performs nonroutine tasks will have a(n) _____.

A. mechanistic structure
B. flat hierarchy of authority
C. centralised decision-making authority
D. high degree of formalisation

23. Which of the following stages of the organisational life cycle is associated with the greatest chance of failure?

A. Organisational growth.
B. Organisational birth.
C. Organisational decline.
D. Organisational death.

24. The term _____ of organisation refers to the organisations that are competing for the same set of resources in the environment.

A. cluster
B. population
C. aggregation
D. environmental niches

25. _____ proposes that during process of organisational growth each stage ends with a crisis that must be resolved before the organisation can proceed to the next stage.

A. Greiner's model
B. Institutional theory
C. Transaction cost theory
D. Population ecology model

26. _____ technological change refers to a fundamental shift in technology that revolutionises products or the way in which they are produced.

A. Mimetic
B. Quantum
C. Normative
D. Incremental

Continued...

27. _____ are typically granted to people who create intellectual property, such as written or visual works likes books, videogames, poems, and songs.

A. Patents
B. Trademarks
C. Copyrights
D. Industrial design rights

28. The _____ stage in a product life cycle begins when market peaks because most customers have already bought the product.

A. mature
B. growth
C. decline
D. embryonic

29. A _____ is a mid-level functional manager who has lower status than the head of a functional department.

A. business agent
B. boundary spanner
C. product champion
D. lightweight team leader

30. Which of the following is most likely to help an organisation align the interests of their talented employees with those of the organisation?

A. Mechanistic organisational structure.
B. Strong property rights.
C. Centralised decision-making authority.
D. A tall organisational hierarchy.

[TOTAL 45 MARKS]

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SECTION B: TRUE/FALSE QUESTIONS (each question carries 1 mark).
Answers for this section should be shaded on the OMR form.
Shade "A" for the TRUE statement and "B" for the FALSE statement.

31. The specific environment consists of forces from outside stakeholder groups that directly affect an organisation's ability to secure resources.

32. Task force is a temporary committee setup to handle a specific problem.

33. A conversion process that is fully automated and that can be programmed in advance is considered to be having low technical complexity.

34. All the organisations pass through the four principal stages of the organisational life cycle at the same rate.

35. Information efficiencies is the cost and time savings that occur when IT allows employees to perform current tasks at a higher level.

[TOTAL 5 MARKS]

SECTION C: STRUCTURED QUESTIONS

QUESTION 1

(a) Identify **SIX (6)** tactics used to socialise new comers to an institutionalsed orientation. (6 marks)

(b) State and discuss **FOUR (4)** approaches of social responsibility. (8 marks)

QUESTION 2

(a) Provide any **FOUR (4)** reasons why an organisation needs to improve their core competence. (4 marks)

(b) Differentiate between related diversification and unrelated diversification. Provide an example of each diversification. (4 marks)

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QUESTION 3

(a) State any **THREE (3)** individual sources of resistance to change. (3 marks)

(b) List and discuss Lewin's **THREE (3)** steps change process. (6 marks)

QUESTION 4

> Organisational decision-making is the process of responding to a problem by searching and selecting a solution or course of action that will create the most value for organisational stakeholders.

Identify any **FOUR (4)** characteristics of incrementalist decision model and any **FOUR (4)** characteristics of unstructured model. (8 marks)

QUESTION 5

(a) List **FIVE (5)** stages of Pondy's model of organisational conflict. (5 marks)

(b) List and explain any **THREE (3)** sources of organisation power. (6 marks)

[TOTAL 50 MARKS]

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